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Businessman In Exile Buys French Newspaper

Ramy Lakah is back in business

Ramy Lakah, the former member of the People's Assembly who left Egypt after accumulating hundreds of millions of pounds in debt, has purchased a troubled French newspaper. According to press reports, Lakah's company, Montaigne Press, has acquired France Soir from Presse Alliance.

The 41-year-old businessman has his work cut out for him. Founded shortly after the liberation of Paris in World War II, the French daily once sold more than a million copies a day. Its circulation has since dwindled to 67,500 copies a day, causing serious financial problems at one point the paper had been costing its previous owners \$625,000 a month.

Industry sources say Lakah will try to revive the paper by launching an English-language edition targeted specifically at expatriates and businessmen. Lakah is no stranger to financial difficulties.

At one point, he admitted to owing as much as LE 850 million to Banque du Caire and he may owe more than \$100 million to international banks. Lakah fled to France in 2001 as his debts mounted, claiming that the two events were completely unrelated.

So far, Lakah has made some bold investments in France. This past January he purchased Eurair, which went bankrupt after accusations that public figures were flying on the airline for free, including French President Jacques Chirac and his wife. France Soir is not his first venture into publishing. The Lafayette Press Group, which Lakah founded, plans to publish a French-language edition of Newsweek.

Lakah is French-Egyptian and it's his dual citizenship that technically got him into trouble after he decided to take a crack at politics in 2000. Defeating a former minister Ahad Gamal Eddin in a race for Parliament, Lakah was stripped of his seat after his new colleagues passed a law banning members from holding two passports even though other members with two passports were not forced out, AFP reports.

There is no such thing as a corrupt-free country. Corruption can only be compared from one country to the next. In that sense, the Arab world should be hanging its head at a Corruption Perceptions Index issued by Transparency International (TI), the leading non-governmental organization for fighting corruption.

"Corruption in large-scale public projects, including in the Arab World, is a daunting obstacle to sustainable development, and results in a major loss of public funds needed for education, health care and poverty alleviation," said Peter Eigen, TI's chairman, in a written statement.

The index is designed as a poll of polls, which takes into account views of businesspeople and analysts within the country. In the Middle East and North Africa, Iraq was listed as the most corrupt nation, ranking at No. 129.

"The future of Iraq depends on transparency in the oil sector," added Eigen. "The urgent need to fund postwar construction heightens the importance of stringent transparency requirements in all procurement contracts. Without strict anti-bribery measures, the reconstruction of Iraq will be wrecked by a wasteful diversion of resources to corrupt elites."

Surprisingly, Egypt is listed at No. 74, beating out regional neighbors, including Morocco (77), Algeria (90), Lebanon (97), Libya, the Palestinian Authority (108) and Yemen (112). The United Arab Emirates came in as the

least perceived corrupt nation in the Arab World, listed at number 29. Since the previous year, Bahrain, Cyprus, Kuwait, Oman and Saudi Arabia all featured a rise in corruption, while Jordan and the UAE featured a perceived decrease.

For the index this year, 18 surveys conducted during 2002-2004 by 12 independent institutions were sent to TI. Out of 146 countries, TI gave 106 a score of less than five out of 10. Worldwide, the estimated amount of money lost per year due to bribery in government procurement is at the very least \$400 billion a staggering sum, especially when you consider what an amount like that could do for those who really need it.

AUC signs LE 850 million contract

The American University in Cairo (AUC) has signed a LE 850 million contract with Samcrete Egypt for the second phase of construction on a 260-acre campus in New Cairo. The contractor Samcrete/Samsung is a joint-venture company between an Egyptian and Korean firm that will use local labor and materials. The new contract covers the construction of the school of humanities and social sciences, science and engineering, business, economics, communication, as well as a new library, performance and visual arts building, AUC Press bookstore, student housing and indoor and outdoor sports facilities. Already, AUC has awarded a contract for the first phase of the project, which covers site preparation, the construction of a 1.6-kilometer-long campus service tunnel that will link utilities of the main campus and the installation of underground infrastructure. The campus is expected to open in September 2007 at a total estimated cost of \$300 million.

Officials at the International Monetary Fund have warned that Egypt's growing foreign debt, which hit \$28.7 billion in 2003, is hampering the country's efforts to spur growth and improve living standards. IMF's Managing Director Rodrigo de Rato told reporters that the government must also move immediately to curb a growing budget deficit that has surpassed LE 52 billion, AFP reported. De Rato also urged the government to adopt more transparent spending practices and to accelerate the reform process.

The private sector arm of the World Bank, the International Finance Corporation, will establish a facility to boost private enterprise partnership in the Middle East and North Africa. Headquartered in Cairo, the new facility has received \$20 million in start-up funds for three years, covering countries stretching from Morocco to Pakistan. The new center will focus on improving the business and regulatory environment, the financial sector and the performance of small- and medium-sized enterprises, as well as assisting the government with privatization and restructuring efforts.

More than 250 international business schools will be in town on December 2, as the World MBA Tour makes its first ever appearance in Egypt. "The tour is the primary recruitment tool of leading international business schools, and it now visits over 50 cities in some 30 countries, attracting more than 50,000 visitors," says Nunzio Quacquarelli, director of the World MBA Tour.

The fair will be held at the Cairo Nile Hilton. Admission directors will be available to answer questions about their programs, and seminars and workshops will cover a number of issues, such as tips for the GMAT, choosing the right school, preparing a successful application and figuring out how to pay for the degree. Special scholarships are also available, exclusively through the The World MBA Tour. They include the Quacquarelli scholarship for those with proven leadership potential and five scholarships for financially disadvantaged applicants.

Nineteen of BusinessWeek's top 20 business schools will be on hand, including Chicago, Columbia, Cornell, Dartmouth, Duke, Harvard, Michigan, Northwestern, Stanford, UCLA and Wharton. Leading schools from Europe will also participate, including Italy's SDA Bocconi; France's HEC, INSEAD and EM Lyon; and the UK's Cambridge, Cranfield and Imperial.

The World MBA Tour has been in operation for 11 years and is run by QS, the international education and career development company with offices in the UK, USA, France, Singapore and Australia.

Anyone interested in learning more about MBA programs worldwide is welcome to log on to www.topmba.com and register for the event free of charge.

Shariah-compliant mutual fund hits market

EFG-Hermes and Faisal Islamic Bank of Egypt have launched Egypt's first mutual fund that invests only in shariah-compliant companies. The LE 50 million fund will be managed by the Hermes Fund and overseen by the Faisal Islamic Bank's shariah supervisory board. The fund also introduces a new system to support orphaned children, whereby certificates can be purchased in the name of the child, who will receive all the distributed income in a special account. The LE 1000 certificates can be purchased at the Faisal Islamic Bank or all offices of the National Post Office.

Customers of Banque Misr will soon be able to withdraw foreign currency and deposit money via the bank's ATM machines. The bank has signed an agreement with CR2, a global provider of channel and internet banking, that will incorporate BankWorld ATM services at 300 ATMs nationwide. The company has not announced when the new service will be available.

The European Investment Bank plans to pump 60 million into Egypt's private sector. Major partner banks will channel the money into small- and medium-sized businesses in the areas of industry, tourism, services and agribusiness. The first phase involves the Export Development Bank of Egypt and the National Bank of Egypt.

The World Bank will commit \$350 million in financing to build a third terminal at the Cairo airport. An unnamed Turkish firm has won the contract, which is the first project the World Bank has funded in Egypt in 12 years. Part of the job will be subcontracted to a publicly held company in Egypt.

Telecoms & IT

Egypt offers cheapest ADSL rates in region

A new report ranks Egypt No. 1 in the region for offering high-speed internet services to residential customers at the lowest cost. While Egypt provides services for LE 150 a month, or about \$24, the average cost in the region is \$80 a month, according to the Arab Advisers Group. At \$135 a month, the services are most expensive in Syria, followed by Kuwait, Sudan and Saudi Arabia. The report emphasizes the importance of greater competition in the region, specifically for countries that face pending commitments under the World Trade Organization to liberalize their telecom markets. While Egypt may provide the cheapest services, the report stresses that high-speed internet services are still out of reach for a vast majority of the population.

The French telecommunications company Alcatel, Egypt's leading supplier of digital exchanges, has launched a new regional headquarters in the Smart Village. Alcatel's Chairman and CEO, Serge Tchuruk, met with CIT Minister Tarek Kamel to inaugurate the four-story building that will house 3000 employees and coordinate the activities of six offices in 15 countries, including the UAE, Kuwait, Saudi Arabia, Afghanistan and Iraq. In 1997, Telecom Egypt selected Alcatel to deploy the nation's first mobile phone network, and today is helping expand Mobinil's network and introducing the next generation of services in Egypt. The new service center will cost up to 6 million.

The PC market witnessed a 31 percent jump in shipments in 2003, after several years of stagnation. Growth is expected to continue this year, according to the study, as the Ministry of Communication and Information Technology seeks to increase PC penetration in schools and among cash-strapped customers. Desktops accounted for more than 90 percent of the shipments in 2003. The shipments of notebooks shot up 68 percent last year, but growth is expected to slow down this year. Meanwhile, international brands are likely to introduce lower-end models to compete with locally assembled computers. Among international brands, HP has the strongest presence in the market, doubling the number of shipments of its closest competitor.

Mobinil posted its highest single quarter results for the third quarter of 2004. Revenues increased 12 percent over the same period last year to LE 1.2 billion. The number of subscribers grew to 3.5 million, and net profit reached LE 415 million before taxes.

Foreign Trade

Britain to increase investments

A visit from British Minister of State of Middle East Affairs Elizabeth Simons resulted in a pledge that Britain would increase its investments to £ 25 billion from £ 18 billion. The trade volume hit £ 674.6 million or LE 7.77 billion.

The trade deficit narrowed by 12 percent in the period of January to May of this year. A report by the Ministry of Foreign Trade and Industry showed the deficit falling to LE 1.6 billion from LE 1.82 billion in the same period last year. Exports jumped by almost 20 percent, hitting \$3.7 billion, while imports grew at a much slower pace of 6 percent to \$4.78 billion.

Minister of Communication and Information Technology Tarek Kamel met with his Sudanese counterpart Ibrahim Malek El Zahawi, focusing on ways to increase partnerships in the IT field. Discussions focused on human resources development and enhancing direct telecom connections, according to a press release. Egypt is also seeking to promote its burgeoning technical expertise from more than 1200 Egyptian telecommunications companies.

Energy**Egypt firm gets Libya contract**

Egypt's PetroJet Company has received a 99 million contract to design and build an oil pipeline in Libya. According to Minister of Petroleum Sameh Fahmy, the pipeline will stretch 750 kilometers, carrying crude oil from southern oilfields in Libya to an export terminal in Tripoli. The project will boost the nation's exports to 100,000 barrels of crude oil a day, from the current figure of 25,000. As many as 2000 Egyptians are expected to take on technical positions as a result of the project.

Government officials have approved a plan to boost the Canada-based Centurion Energy's natural gas production at El Wastani fields from 80 million cubic feet a day to 200 million cubic feet per day by the end of 2005. According to Centurion, the field's known reserves increased this past summer to about 94 billion cubic feet of natural gas and 4 million barrels of condensate.

Tourism**UK issues Sinai advisory**

Following the terrorist attacks in Taba last month, the UK's office of the Foreign and Commonwealth Affairs issued a statement warning that "the threat from terrorism in Egypt remains." The report points out the east coast of the Sinai peninsula is a particularly dangerous location, and that further attacks "may be likely." More information is available on www.fco.co.uk.

UNESCO has named Aswan, Africa's 'City of Peace.' The honorable award, handed out once every two years, affirms the city's commitment to improving the living standards of its inhabitants and to creating a cleaner environment. Aswan is not the first city to win the award. Sharm El-Sheikh earned the same honor a few years ago.